

HOUSE BILL 696

C5
HB 832/21 – ECM & ENT

2lr1832

By: **Delegate Fraser–Hidalgo**

Introduced and read first time: January 31, 2022

Assigned to: Economic Matters and Environment and Transportation

A BILL ENTITLED

1 AN ACT concerning

2 **Public Utilities – Electric School Bus Pilot Program**

3 FOR the purpose of establishing an electric school bus pilot program; requiring the Public
4 Service Commission to implement and administer the pilot program; authorizing
5 investor–owned electric companies to apply to the Commission to implement an
6 electric school bus pilot program with a participating school system if the pilot
7 program meets certain standards; authorizing investor–owned electric companies to
8 recover certain costs under the pilot program, subject to the approval of the
9 Commission; and generally relating to the electric school bus pilot program.

10 BY adding to

11 Article – Public Utilities

12 Section 7–217

13 Annotated Code of Maryland

14 (2020 Replacement Volume and 2021 Supplement)

15 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
16 That the Laws of Maryland read as follows:

17 **Article – Public Utilities**

18 **7–217.**

19 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
20 INDICATED.

21 (2) “ELECTRIC SCHOOL BUS” MEANS A SCHOOL BUS THAT IS
22 POWERED EXCLUSIVELY BY AN ELECTRIC MOTOR THAT DRAWS ITS CURRENT FROM
23 RECHARGEABLE STORAGE BATTERIES THAT ARE RECHARGED WITH ELECTRICITY
24 FROM AN ELECTRIC VEHICLE CHARGING STATION.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **(3) “ELECTRIC SCHOOL BUS PILOT PROGRAM” MEANS A PILOT**
2 **PROGRAM CONDUCTED BY AN INVESTOR-OWNED ELECTRIC COMPANY UNDER THIS**
3 **SECTION.**

4 **(4) “INCREMENTAL ADMINISTRATIVE AND OPERATING COSTS”**
5 **MEANS THE AMOUNT BY WHICH THE COST OF ADMINISTERING AND OPERATING AN**
6 **ELECTRIC SCHOOL BUS PROGRAM EXCEEDS THE COST OF ADMINISTERING AND**
7 **OPERATING A DIESEL SCHOOL BUS PROGRAM.**

8 **(5) “INCREMENTAL COSTS OF PURCHASING AND DEPLOYING**
9 **ELECTRIC SCHOOL BUSES” MEANS THE AMOUNT BY WHICH THE COSTS OF**
10 **PURCHASING AND DEPLOYING ELECTRIC SCHOOL BUSES EXCEEDS THE COSTS OF**
11 **PURCHASING AND DEPLOYING DIESEL SCHOOL BUSES.**

12 **(6) “INTERCONNECTION EQUIPMENT” MEANS A GROUP OF**
13 **COMPONENTS OR AN INTEGRATED SYSTEM THAT CONNECTS AN ELECTRIC VEHICLE**
14 **CHARGING STATION WITH THE DISTRIBUTION SYSTEM OF AN INVESTOR-OWNED**
15 **ELECTRIC COMPANY.**

16 **(7) “INTERCONNECTION FACILITIES” MEANS FACILITIES REQUIRED**
17 **BY AN INVESTOR-OWNED ELECTRIC COMPANY TO ACCOMMODATE THE**
18 **INTERCONNECTION OF AN ELECTRIC VEHICLE CHARGING STATION.**

19 **(8) “PARTICIPATING SCHOOL SYSTEM” MEANS A SCHOOL SYSTEM**
20 **LOCATED WITHIN AN INVESTOR-OWNED ELECTRIC COMPANY’S SERVICE TERRITORY**
21 **THAT:**

22 **(I) PARTICIPATES IN AN ELECTRIC SCHOOL BUS PILOT**
23 **PROGRAM UNDER AN AGREEMENT BETWEEN ITS SCHOOL BOARD AND AN**
24 **INVESTOR-OWNED ELECTRIC COMPANY; AND**

25 **(II) OWNS ITS SCHOOL BUSES OR CONTRACTS WITH ANOTHER**
26 **ENTITY FOR SCHOOL BUS SERVICES.**

27 **(9) “PROGRAM COSTS” MEANS:**

28 **(I) ANY COSTS TO DEPLOY APPROPRIATE ELECTRIC SCHOOL**
29 **BUS CHARGING INFRASTRUCTURE THAT ARE INCURRED BY AN INVESTOR-OWNED**
30 **ELECTRIC COMPANY IN IMPLEMENTING AN ELECTRIC SCHOOL BUS PILOT**
31 **PROGRAM; AND**

32 **(II) REBATES PAID TO A PARTICIPATING SCHOOL SYSTEM.**

1 **(10) “REBATE” MEANS AN INCENTIVE PROVIDED BY AN**
2 **INVESTOR–OWNED ELECTRIC COMPANY TO A PARTICIPATING SCHOOL SYSTEM THAT**
3 **IS EQUAL TO:**

4 **(I) THE INCREMENTAL COSTS OF PURCHASING AND**
5 **DEPLOYING ELECTRIC SCHOOL BUSES TO PARTICIPATING SCHOOL SYSTEMS; AND**

6 **(II) THE INCREMENTAL ADMINISTRATIVE AND OPERATING**
7 **COSTS INCURRED BY A PARTICIPATING SCHOOL SYSTEM IN IMPLEMENTING ITS**
8 **ELECTRIC SCHOOL BUS PILOT PROGRAM.**

9 **(B) (1) THERE IS AN ELECTRIC SCHOOL BUS PILOT PROGRAM.**

10 **(2) THE ELECTRIC SCHOOL BUS PILOT PROGRAM SHALL BE**
11 **IMPLEMENTED AND ADMINISTERED BY THE COMMISSION AND SHALL OPERATE AS**
12 **PROVIDED IN THIS SECTION.**

13 **(C) AN INVESTOR–OWNED ELECTRIC COMPANY MAY APPLY TO THE**
14 **COMMISSION TO IMPLEMENT AN ELECTRIC SCHOOL BUS PILOT PROGRAM IF THE**
15 **PILOT PROGRAM IS STRUCTURED TO:**

16 **(1) COMMENCE ON OR BEFORE OCTOBER 1, 2024;**

17 **(2) PROVIDE FOR THE DEPLOYMENT OF NOT FEWER THAN 25**
18 **ELECTRIC SCHOOL BUSES;**

19 **(3) PROVIDE FOR ELECTRIC SCHOOL BUS REBATES TO**
20 **PARTICIPATING SCHOOL SYSTEMS;**

21 **(4) LIMIT TOTAL REBATES TO \$50,000,000;**

22 **(5) ALLOW THE INVESTOR–OWNED ELECTRIC COMPANY TO USE THE**
23 **STORAGE BATTERIES OF THE ELECTRIC SCHOOL BUSES TO ACCESS THE STORED**
24 **ELECTRICITY THROUGH VEHICLE–TO–GRID TECHNOLOGY:**

25 **(I) EXCEPT AS PROVIDED IN ITEM (6) OF THIS SUBSECTION,**
26 **WITHOUT ADDITIONAL COMPENSATION TO THE SCHOOL SYSTEM FOR THE**
27 **ELECTRICITY; AND**

28 **(II) AT TIMES WHEN THE PARTICIPATING SCHOOL SYSTEM**
29 **DETERMINES THAT THE SCHOOL BUSES ARE NOT NEEDED TO TRANSPORT**
30 **STUDENTS;**

31 **(6) ENSURE THAT IF THE INVESTOR–OWNED UTILITY USES**

1 ELECTRICITY THAT A PARTICIPATING SCHOOL SYSTEM PROVIDES TO CHARGE AN
2 ELECTRIC SCHOOL BUS BATTERY, THE INVESTOR-OWNED UTILITY REPLACES THAT
3 ELECTRICITY AT NO COST TO THE PARTICIPATING SCHOOL SYSTEM;

4 (7) PROVIDE FOR THE SELECTION OF SCHOOL SYSTEMS THAT APPLY
5 TO PARTICIPATE IN THE PILOT PROGRAM ON THE BASIS OF APPROPRIATE FACTORS
6 DETERMINED BY THE INVESTOR-OWNED ELECTRIC COMPANY WITH THE APPROVAL
7 OF THE COMMISSION, INCLUDING THE LOCATIONAL BENEFITS THAT THE STORAGE
8 BATTERIES OF SCHOOL BUSES MAY BRING TO THE INVESTOR-OWNED ELECTRIC
9 COMPANY;

10 (8) CONSIDER, IN DETERMINING THE APPROPRIATE FACTORS UNDER
11 ITEM (7) OF THIS SUBSECTION, THE HEALTH AND ECONOMIC EFFECTS ON
12 LOW-INCOME AND MINORITY COMMUNITIES;

13 (9) PROVIDE AND INSTALL THE INTERCONNECTION EQUIPMENT AND
14 INTERCONNECTION FACILITIES FOR ELECTRIC VEHICLE CHARGING STATIONS AND
15 TRAIN SCHOOL PERSONNEL IN THE PROPER USE OF THE EQUIPMENT AND
16 FACILITIES;

17 (10) EQUIP EACH ELECTRIC SCHOOL BUS WITH LAP AND SHOULDER
18 BELTS IN ACCORDANCE WITH RECOMMENDATIONS FROM THE NATIONAL
19 TRANSPORTATION SAFETY BOARD; AND

20 (11) PROVIDE THE SCHOOL BOARD WITH ADEQUATE TRAINING AND
21 EXPERTISE TO OPERATE ABLY ELECTRIC SCHOOL BUSES, ELECTRIC VEHICLE
22 CHARGING STATIONS, AND ASSOCIATED INFRASTRUCTURE.

23 (D) A PARTICIPATING SCHOOL SYSTEM SHALL:

24 (1) WHEN DEPLOYING ELECTRIC SCHOOL BUSES, CONSIDER
25 CRITERIA THAT BENEFIT STUDENTS WHO ARE ELIGIBLE FOR FREE AND
26 REDUCED PRICE MEALS; AND

27 (2) BEFORE THE DELIVERY OF ELECTRIC SCHOOL BUSES, DEVELOP A
28 PLAN FOR TRAINING AND RETAINING ANY SCHOOL SYSTEM EMPLOYEE AFFECTED BY
29 THE ELECTRIC SCHOOL BUS PILOT PROGRAM.

30 (E) (1) SUBJECT TO THE COMMISSION'S APPROVAL, AN
31 INVESTOR-OWNED ELECTRIC COMPANY MAY RECOVER ALL REASONABLE AND
32 PRUDENT PROGRAM COSTS INCURRED UNDER AN ELECTRIC SCHOOL BUS PILOT
33 PROGRAM THROUGH A RATE APPLICATION TO BE REVIEWED AND APPROVED BY THE
34 COMMISSION.

1 **(2) A RATE APPLICATION UNDER THIS SUBSECTION SHALL INCLUDE**
2 **CONFORMING CHANGES TO THE PARTICIPATING INVESTOR-OWNED ELECTRIC**
3 **COMPANY'S APPLICABLE RATE SCHEDULES.**

4 **(3) SUBJECT TO THE COMMISSION'S APPROVAL, THE ELECTRIC**
5 **SCHOOL BUS PILOT PROGRAM SHALL BECOME A REGULAR RATE SCHEDULE OF THE**
6 **PARTICIPATING INVESTOR-OWNED ELECTRIC COMPANY.**

7 **(F) SUBJECT TO THE COMMISSION'S APPROVAL, AN INVESTOR-OWNED**
8 **ELECTRIC COMPANY MAY ESTABLISH A PILOT TARIFF OR RATE TO PROVIDE SERVICE**
9 **TO AN ELECTRIC SCHOOL BUS.**

10 **(G) AN INVESTOR-OWNED ELECTRIC COMPANY THAT APPLIES TO**
11 **IMPLEMENT AN ELECTRIC SCHOOL BUS PILOT PROGRAM SHALL PROVIDE TO THE**
12 **COMMISSION ANY INFORMATION, DATA, AND ANALYSIS THAT THE COMMISSION**
13 **REQUIRES.**

14 **(H) THE COMMISSION SHALL APPROVE, DENY, OR APPROVE WITH**
15 **MODIFICATIONS AN INVESTOR-OWNED ELECTRIC COMPANY'S APPLICATION TO**
16 **IMPLEMENT AN ELECTRIC SCHOOL BUS PILOT PROGRAM.**

17 **(I) (1) AN INVESTOR-OWNED ELECTRIC COMPANY THAT ESTABLISHES**
18 **AN ELECTRIC SCHOOL BUS PILOT PROGRAM AUTHORIZED BY THIS SECTION SHALL,**
19 **IN CONSULTATION WITH EACH PARTICIPATING SCHOOL SYSTEM, BY FEBRUARY 1,**
20 **2024, AND EACH YEAR THEREAFTER FOR THE DURATION OF THE PILOT PROGRAM,**
21 **REPORT ON THE STATUS OF THE PILOT PROGRAM TO THE GOVERNOR, THE**
22 **COMMISSION, AND, IN ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT**
23 **ARTICLE, THE HOUSE ECONOMIC MATTERS COMMITTEE AND THE SENATE**
24 **FINANCE COMMITTEE.**

25 **(2) THE REPORT REQUIRED UNDER PARAGRAPH (1) OF THIS**
26 **SUBSECTION SHALL INCLUDE:**

27 **(I) AN EVALUATION OF THE ENVIRONMENTAL AND HEALTH**
28 **BENEFITS OF THE PILOT PROGRAM; AND**

29 **(II) THE FINANCIAL COSTS AND BENEFITS OF IMPLEMENTING**
30 **THE PILOT PROGRAM TO THE PARTICIPATING SCHOOL SYSTEM AND THE**
31 **INVESTOR-OWNED UTILITY, INCLUDING:**

32 **1. THE DEPLOYMENT, OPERATION, AND MAINTENANCE**
33 **OF THE ELECTRIC SCHOOL BUSES; AND**

34 **2. THE USE OF VEHICLE-TO-GRID TECHNOLOGY.**

1 **(J) THE INITIAL DURATION OF AN ELECTRIC SCHOOL BUS PILOT PROGRAM**
2 **SHALL BE AT LEAST 3 YEARS AND MAY NOT EXCEED 5 YEARS.**

3 **(K) ON THE REQUEST OF AN INVESTOR-OWNED ELECTRIC COMPANY, THE**
4 **COMMISSION MAY AUTHORIZE AN EXPANSION OF THE SCOPE, DEPLOYMENT,**
5 **PROGRAM COSTS, AND DURATION OF THE ELECTRIC SCHOOL BUS PILOT PROGRAM.**

6 SECTION 2. AND BE IT FURTHER ENACTED, That the General Assembly
7 encourages electric school bus pilot program applicants to seek any federal funds that may
8 be available to the applicants, including funds available under the Infrastructure and
9 Investment Jobs Act.

10 SECTION 3. AND BE IT FURTHER ENACTED, That, where feasible, the General
11 Assembly encourages electric school bus pilot program applicants to produce or procure
12 electricity generated by renewable resources to power electric school bus charging
13 infrastructure.

14 SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect June
15 1, 2022.